

PRESS RELEASE

Good Morning.

As you are aware, City of Jasper representatives have been diligently pursuing negotiations with Jasper Clean Energy on the potential lease of the existing power plant. During the course of negotiations, the City has not always been able to disclose confidential information regarding the lease or the negotiations. Recently, the City did provide to the public a summary of proposed interim lease terms at the June 20 meeting of the Utility Service Board. The City wants to continue to keep its Citizens informed as these negotiations continue. Negotiations have reached a point where additional proposed terms can be released. This morning I wanted to provide a further update as to additional terms in the proposed lease.

Jasper Clean Energy has agreed to meet stricter emissions standards than presently required by IDEM for this facility after it is repowered. The applicable regulations for this facility are expected to be the recently approved Boiler Maximum Achievable Control Technology (MACT) Standards for “Minor” Sources. Jasper Clean Energy, however, has voluntarily agreed to comply with the stricter emissions standards that are applicable to “Major” Sources. These stricter standards will be included in the conditions of the proposed lease agreement and will require Jasper Clean Energy to meet more stringent emissions requirements. I will be providing a handout as to the differences in these different emissions standards.

In response to concerns raised by citizens and certain City Council and Utility Service Board members, Jasper Clean Energy has agreed not to use Switchgrass as fuel. The primary fuels for the repowered facility, if approved, will be Miscanthus and natural gas.

City representatives have also requested and negotiated a provision that will restrict City officials and employees from pursuing employment with Jasper Clean Energy for one (1) year after voluntarily leaving employment with the City. This would include a prohibition on becoming a member of any board of Jasper Clean Energy. The City wants to ensure that individuals who may be involved in the negotiations of this project will not directly benefit financially, and also to avoid any appearance of impropriety. The proposed lease does provide for a non-compensated Coordination Committee with two representatives from the City to advise on potential issues that may arise.

Finally, City representatives and Jasper Clean Energy have tentatively reached an agreement on a proposed rent structure. The annual base rent that Jasper Clean Energy would pay if a lease is executed will be \$425,000. The rent of \$425,000 would start with the onset of construction of the facility. In the interim, Jasper Clean Energy would pay an option payment of \$60,000 a quarter upon signing of the lease.

Additionally, Jasper Clean Energy would pay a royalty of \$1.50 per Megawatt hour for the energy produced from the modified existing boiler. This royalty is expected to generate additional income of approximately \$112,000 annually when the facility is operating at full capacity.

Under the rent structure in the proposed lease, the total expected annual income (rent) from Jasper Clean Energy would be approximately \$537,000.

As the City continues to negotiate and review the impacts of this potential project, the City will release additional information as it is available.